

# SunCon eyes re-entry into India

by NG MIN SHEN

**SUNWAY** Construction Group Bhd (SunCon) mulls re-entering India as the company diversifies its revenue sources and reduces dependence on projects in Malaysia.

"As a construction player, we cannot depend solely on domestic projects. We need to be agile and not depend so much on the government," MD Chung Soo Kiong said after the company's AGM in Bandar Sunway yesterday.

The group plans to expand its overseas operations particularly in Myanmar and India.

"We are looking to venture overseas into Asean countries. We might also re-enter India," Chung said.

SunCon was involved in the construction of seven highways in India in 2001.

For its re-entry into India, the group is "not necessarily" looking at highways construction, but is also keen on railway jobs, Chung said.

Earlier this year, he said, the group was in talks with potential joint-venture partners in Myanmar and Indonesia, with the aim of developing infrastructure projects and specialised buildings in those markets.

"We're lucky because we have our own internal developments from our parent company, Sunway Bhd.

"So, overall, I don't see any immediate big impact or challenges for us," he said, in reference to minimising dependence on government-initiated construction works.

The new Pakatan Harapan government had temporarily scrapped the Kuala Lumpur-

Singapore high-speed rail and cancelled the Mass Rapid Transit Line 3 (MRT3), claiming cost reasons behind the decisions.

The new administration has also said it will review other mega projects initiated by the previous government, raising uncertainties over the future of local construction players.

SunCon targets to replenish its orderbook by between RM1.5 billion and RM2 billion in 2018.

"We have already achieved RM800 million to date. So, I don't see any issue in achieving RM1.5 billion to RM2 billion this year," Chung said.

Most of the orders will be for building jobs rather than infrastructure works.

"If infrastructure picks up, that will happen next year, so most of the jobs we're looking at are building jobs. Some are

in-house and some are external," Chung said.

He said the group aims to have a 50:50 distribution of infrastructure and building contracts in its portfolio.

The composition is currently "quite close" to the target, with about RM3 billion of the present RM6.4 billion orderbook comprising infrastructure projects including contracts for MRT2 and LRT3.

"We see visible earnings from the current orderbook for two and a half to three years. As of today, we have also participated in about RM10 billion worth of tenders, and we hope to see some results during the current or next quarter."

Shares of SunCon closed three sen, or 1.6% higher at RM1.90 yesterday, giving it a market capitalisation of RM2.45 billion.